



Adelaide paves way for more city units

Rebecca Thistleton

Adelaide's burgeoning inner-city apartment market is being slated for further growth, as developers report strong project sales and welcome further planning reform.

South Australian Planning Minister John Rau announced an overhaul of the state planning system this week, with measures aimed at streamlining the development process.

His announcement followed new rules which allow for higher density developments along major roads on the city fringe and last year's introduction of stamp duty concessions for apartments costing up to \$500,000.

About 100 people staged a protest at the state Parliament House this week against higher-density development on the city fringe, but developers say there is enough market demand to justify future projects.

Such is the confidence in the Adelaide market that Asian Pacific Group will start construction on its \$120 million project, The Watson, this week, almost a month before apartment marketing officially begins.

Asian Pacific Group chief executive Will Deague said there was demand for higher density living on the city fringe as long as it was well-priced. One bedroom apartments in The Watson start from \$270,000. Apartments are priced up to \$400,000 with one level of \$1.2 million penthouses.

The project also includes the 30-room Watson Hotel from the Art Series Group, its fourth hotel and the first outside of Melbourne.

Architect-developer Guavalime has sold 42 of the 51 units in its ART resi-

dential complex in the east end of the city after launching in November.

Co-director Michael Loucas said the majority of buyers were investors, encouraged by the federal government's National Rental Affordability Scheme and by changes to self-managed superannuation fund regulations in regard to residential property.

About 10 per cent of buyers were offshore investors.

"The change in direction from the state government to encourage development has had a real impact and a good response from investors," Mr Loucas said. "We've also had a lot of success from owner occupiers

"The big-picture approach to planning allows groups such as ourselves to explore the limits of what the market wants and also dictate it to an extent."

Nathan Paine, from the Property Council of Australia's South Australian division, said inner-city apartments were better priced than some house and land packages, allowing more buyers to get into the property market.

He said encouraging development in the Adelaide CBD and around the inner rim of the city was another positive step, but needed to be backed with robust legislation which would be the ideal outcome from planning reforms.

"Development assessment processes need to align behind the high-level intent in the 30-year plan to concentrate more of Adelaide's population growth within the existing CBD footprint," Mr Paine said.

"Time is money when it comes to development, so it stands to reason that greater efficiency in development assessment will lead to savings for the end buyer."



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The Asian Pacific Group's confidence in the success of the \$120 million Adelaide project, The Watson, means that construction will start ahead of marketing.